



King County

What's New

in the 2013-14 Executive Proposed Budget

King County Executive Proposed Budget 2013-14



- **The General Fund was balanced using a combination of efficiencies and expenditure reductions in areas with reduced demand.**

Preliminary projections for the 2013 General Fund budget showed a gap of about \$20 million between estimated revenues and costs to continue existing service levels. Most of this gap was due to slow growth in property and sales taxes and the loss of projected state and federal funds. To fill this gap, several small revenue changes were made, but no new taxes or fees were created. The 2013 Proposed Budget maintains or improves the level and quality of services provided by General Fund agencies.

- **Several anti-gang programs initially funded in 2011 from the Criminal Justice Reserve were continued.** Despite the challenges facing the General Fund, Executive Constantine's 2013 Proposed Budget includes money to continue these programs, as they were scheduled to only run through 2012.

- **The budget of the Road Services Division was significantly reduced due to revenue shortfalls.** The 2013-2014 Proposed Budget for Roads is \$189 million. While some revenue growth is projected in the future, this won't keep up with rising costs. As a result, the proposed Roads budget results in significant staffing and service reductions. Approximately 60 positions will be eliminated in early 2013. More details can be found at <http://www.kingcounty.gov/exec/news/release/2012/August/23roads.aspx>.

- **Metro Transit's budget allows services to be sustained through the fall of 2014, but services reductions likely will be needed thereafter unless a new revenue source is obtained.** The Transit Division faced significant service reductions in 2011 due to the decline in sales tax revenue during the Great Recession. In early 2011, the State Legislature gave the County the authority to levy a two-year Congestion Reduction Charge, which is a \$20 fee on auto license renewals. However, Transit's revenue challenges will reemerge in mid-2014 when the Congestion Reduction Charge expires. Unless the Legislature authorizes a new permanent revenue source, significant service reductions will begin in the fall of 2014.
- **Public Health's budget reflects a "bridge" strategy in anticipation of implementation of the Affordable Care Act (ACA) in 2014.** The federal ACA will broaden access to medical care and will likely result in increased revenues for Public Health since it will have fewer uninsured patients. However, other federal funds for Public Health programs are being reduced, especially in areas of prevention and preparedness. To respond to these changes, Public Health is reprogramming some of its funds in 2013 to maintain key programs that would otherwise have to be reduced or eliminated, including anti-smoking and obesity prevention programs. If the ACA is implemented as currently envisioned in 2014, it should be possible to sustain these programs in the long run.

- **The Mental Illness and Drug Dependency (MIDD) program can sustain services in 2013, but some combination of additional revenue, cost shifts, or program reductions will be needed for 2014.** During the Great Recession, the Legislature allowed governments with MIDD programs to use up to 50% of the funds to “supplant” other money being used for previously-existing programs. MIDD’s revenue source is a 0.1% sales tax collected countywide, which is forecasted to yield about \$46 million in 2013.

The MIDD Fund accumulated a significant balance because it took time to implement many of the new programs. The County has been drawing down this balance over the last few years, meaning annual spending exceeds current revenues. This can be sustained through 2013, but there is a projected gap between spending and revenue of about \$6.5 million in 2014. This will need to be covered through new revenue, spending reductions, efficiencies, and/or cost shifts to other funds.

- **Design and permitting for the new Youth Services Center will begin in 2013.** 55% of the County’s voters approved a property tax levy lid lift to build a new courthouse and detention facility for the Youth Services Center on the August 2012 ballot. The existing facilities are past their useful lives and require extensive maintenance. They are also inefficient to staff and to operate. The new facilities are expected to cost about \$210 million. The 2013 Proposed Budget includes a \$5 million appropriation to begin design work.

- **The Marine Division budget provides for the design and construction of two new boats, with about 80% of the \$12.5 million cost coming from grants, assuming the Ferry District authorizes this step.** The Marine Division provides passenger ferry service from downtown Seattle to West Seattle and Vashon Island using two older vessels that often require maintenance. These boats are frequently out of service, which requires rental of expensive replacement boats. The 2013-2014 Proposed Budget includes funds to design and build two new boats that are projected to enter service in mid-2014.

- **The budget includes several purchases and initiatives designed to keep King County as a desirable place to live.**

As noted at the beginning of this Executive Summary, King County’s residents rate it as a very desirable place to live. In order to maintain that environment for future generations, the 2013-2014 Proposed Budget continues to acquire property for recreation and conservation uses. For example, the budget includes about \$3 million from the Conservation Futures levy and the Parks Capital levy to acquire a conservation easement over a portion of the White River Tree Farm in the southeast portion of the county. This 44,000 acre parcel would bring the County very close to its goal of acquiring 200,000 of open space. The budget also includes funds to maintain the Eastside Rail Corridor, which is scheduled to be acquired by the County in the fall of 2012. This corridor is expected to become a multi-use transit and trail corridor from Renton to Woodinville.

